



**CITY OF LODI
COUNCIL COMMUNICATION**

TM

AGENDA TITLE: Adopt "Open Session Resolution" Approving Guild Settlement

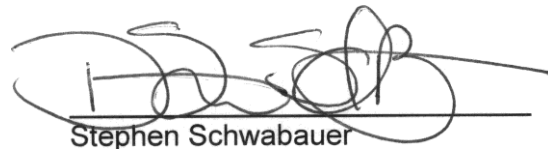
MEETING DATE: April 6, 2005 City Council Meeting

PREPARED BY Steve Schwabauer, City Attorney

RECOMMENDED ACTION: That the City Council adopt Resolution approving Guild Settlement Agreement relative to the Environmental Abatement Program litigation.

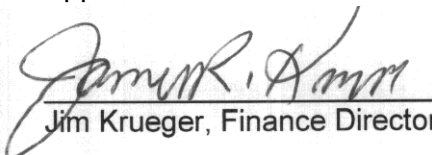
BACKGROUND INFORMATION: On December 2, 2004, the City Council approved the settlement with the Guild parties: Jack Alquist, individually and as a Trustee of the Alquist Family Trust, dated March 2, 1981; Guild Cleaners, Inc., a California Corporation; the Estate of Dwight Alquist, Deceased; the Alquist Family Trust, dated March 2, 1981; and Beulah Viva Alquist, individually and as a Trustee of Alquist Family Trust, dated March 1, 1981. The Settlement Agreement contemplates a formal resolution approving the settlement in open session. This resolution fulfills that provision but is a mere formality in that the Council has already approved the settlement in closed session.

FISCAL IMPACT: This settlement was authorized by the City Council on December 2, 2004, with funds to come from the proceeds of the USF&G Settlement. No impact to the General Fund.


 Stephen Schwabauer
 City Attorney

FUNDING: \$2.2 Million - USF&G Settlement Fund

Approved:


 Jim Krueger, Finance Director

APPROVED:


 Blair King, City Manager

**Settlement Agreement and
Mutual Release**

A. Parties

This Settlement Agreement and Release (the "Agreement") is entered into among the following parties:

1. The City of **Lodi**, California, a municipal corporation (the "City"); and
2. **Jack Alquist**, individually and as a Trustee of the Alquist Family Trust, dated, March 2, 1981; **Guild Cleaners, Inc.**, a California corporation; the Estate of **Dwight Alquist**. **Deceased**; the Alquist Family Trust, dated, March 2, 1981; and **Beulah V. Alquist**, individually and as a Trustee of Alquist Family Trust, dated, March 2, 1981, (collectively referred to as the "Guild Parties").

These parties are sometimes collectively referred to herein as the "Settling Parties." Any person or entity identified above may be referred to as a "Party."

B. Background

1. The City is the **owner and operator** of the municipal **sanitary sewer** and **water** supply systems within the City of **Lodi**.
2. **Jack Alquist**, **Beulah V. Alquist**, and the **Alquist Family Trust**, dated, March 2, 1981 Own or have owned at **various times** certain property located at 17 and 31 **South Church Street**, Lodi, California (the "Guild Property"). **The** Guild Property, as well as certain neighboring property, is located within what is commonly referred to as the Central Plume Area and is alleged to have become environmentally contaminated as a result of or arising from the operations of Guild Dry Cleaners and other businesses, and from the City's sewer main located in the alley behind 17 South Church Street.
3. **Dwight Alquist**, an individual, **owned and operated** Guild Dry Cleaners as a sole proprietorship at 17 South Church Street from approximately 1959 to 1981. **Dwight Alquist died** in 1982 **The** City sued the Estate of **Dwight Alquist**. **Deceased**, pursuant to the California Probate Code section 550, et seq., in that federal litigation identified at paragraph 11 of this section.
4. **Guild Cleaners, Inc.**, a California corporation, was incorporated in 1981 by **Jack Alquist**. **Guild Cleaners, Inc.** has operated the Guild Dry Cleaners at 17 South Church Street from approximately 1981 to the present.

5. Contaminants, including PCE, have been identified in the soil and groundwater beneath the Central Plume Area, as set forth in that federal litigation identified at paragraph 11 of this section, the April 22, 2004, California Regional Water Quality Control Board (the "RWQCB") Cleanup and Abatement Order No. W-2004-0043 for the Central Plume Area ("CAO"), and the rescinded Imminent and Substantial Endangerment Determination and Remedial Action Order ("RAO") that the Department of Toxic Substances Control ("DTSC") issued for the Central Plume Area on May 30, 2003, and amended on July 9, 2003 (the "Central Plume Contamination").
6. In or about 2001, the Guild Parties began investigative activities associated with commencing a Remedial Investigation/Feasibility Study ("RI/FS") in the Central Plume Area. In or about April 2002, the Guild Parties submitted a draft RI/FS Workplan to the RWQCB and the DTSC. The Guild Parties have conducted all of their investigative activities and associated work and submittals to the RWQCB and DTSC in compliance with the National Contingency Plan, 40 C.F.R. Part 300.
7. The amended RAO named as respondents Guild Cleaners, Inc.; the Estate of Dwight Alquist, Deceased; Odd Fellows Hall Association of Lodi, Inc.; Lodi News Sentinel, Inc.; Beckman and Company; Beckman Capital Corporation; and Angelina Comporato. The DTSC rescinded the RAO on or about May 12, 2004.
8. The RWQCB is the lead governmental agency responsible for oversight of the Central Plume Area. Pursuant to a letter, dated May 12, 2004, the DTSC has relinquished all oversight responsibility and jurisdiction over the Central Plume Area to the RWQCB.
9. On April 22, 2004, the RWQCB issued Cleanup and Abatement Order No. R5-2004-0043 for the Central Plume Area ("CAO"). The CAO names as respondents Guild Cleaners, Inc., the City, Lodi News-Sentinel, Odd Fellows Hall Association of Lodi, and Beckman Capital Corporation.
10. As part of the investigation and remediation measures set forth above, the Guild Parties conducted a pilot study, which included the installation of a soil-vapor extraction system. The Guild Parties also submitted a DRAFT Remedial Investigation/Feasibility Study, Lodi Central Plume Area to the RWQCB on August 16, 2004. The City conducted sampling and analysis of indoor air in the Central Plume Area pursuant to a work plan approved by RWQCB (the "Indoor Air Assessment"), and performed deep groundwater sampling in the Central Plume Area.

11. On November 2, 2000, and as later amended on May 25, 2001, August 4, 2004, September 9, 2004, and January 21, 2005, the City filed a Complaint for damages against Guild Cleaners, Inc., Jack Alquist; and Estate of Dwight Alquist. Deceased, among others, in United States District Court for the Eastern District of California, Case No. CTV-00-2441 FCD/JFM, alleging that Guild Cleaners, Inc., Jack Alquist; and Estate of Dwight Alquist, Deceased were responsible in part for the Central Plume Contamination (the "Lodi Action"). Guild Cleaners, Inc. has filed counterclaims against the City in the Lodi Action.
12. Substantial disputes exist among the Settling Parties regarding their respective liabilities and obligations arising from the Central Plume Contamination. By and through this Agreement, the Settling Parties have now resolved to settle any and all disputes arising from or related to the Central Plume Contamination or its causes, including those claims and counterclaims arising from any alleged civil rights violations.

NOW, THEREFORE, in consideration for the mutual promises set forth in this Agreement, the City and the Guild Parties agree to resolve their claims and allegations against each other in the manner set forth below.

C. Mutual Promises and Conditions of Settlement

1. Preconditions to Settlement of Allocation Rights

This Agreement requires that the Settling Parties will each take or authorize that certain steps be taken for the purpose of obtaining a release, one from the other, a good faith finding and contribution bar from the United States District Court for the Eastern District of California, a covenant not to sue and a contribution bar from both the RWQCB and DTSC, as identified below:

- (a) The City will establish an escrow account (the "Central Plume Fund") into which the Guild Parties' settlement payment will be deposited. The City will also make a settlement payment to the Central Plume Fund. The settlement payments and any other amounts in the Central Plume Fund will be used by the City exclusively for environmental cleanup, investigation or remediation expenses incurred by the City with regard to the Central Plume Area. The amounts in the Central Plume Fund will not be used for the payment of legal or technical fees connected with the continued prosecution of the Lodi Action or any other litigation or legal activities against any remaining potentially responsible parties ("PRP's"). The City will submit a report of the expenditures from the Fund to the Court bi-annually. If any money remains in the Central Plume Fund after the City obtains a no further action letter or its equivalent from the RWQCB for the Central Plume

Area, the money may be used by the City solely for cleanup, investigation or remediation expenses in connection with other contaminated plume areas within the geographic boundaries of the City of Lodi, California. Other than the settlement payment identified in this paragraph of the Agreement the Guild Parties will have no obligation to pay the expenses of, conduct, or perform any cleanup, investigation or remediation activities associated with or for the Central Plume Area.

- (b) Within thirty (30) calendar days of the Court's confirmation of this settlement pursuant to Section 3 of this Agreement, the Guild Parties will make a settlement payment into the Central Plume Fund in the amount of \$4.2 million (four million two hundred thousand dollars and no cents), and the City will make a settlement payment in the amount of \$2.2 million (two million two hundred thousand dollars and no cents) into the Central Plume Fund.
- (c) The City will assume the Guild Parties' obligations under the CAO for the Central Plume Contamination, whether the City is specifically named under such CAO or not. Except for any obligations of the Guild Parties covered, released, or extinguished by the covenants not to sue pursuant to paragraph C.1.(j) of this Agreement, the City will assume any obligations of the Guild Parties under any future order of any regulatory agency, including federal, state and local agencies, regarding the Central Plume Contamination.
- (d) The Guild Parties and their attorneys will cooperate fully and assist in coordinating the City's retention of the Guild Parties' technical and litigation consultants and experts (collectively, "Guild's experts"), Donald Bradshaw, LFR, Levine Fricke, Inc. ("LFR"), Keith O'Brien, and Peter Krasnoff. In addition, the Guild Parties and their attorneys will authorize Guild's experts to provide the City with all work product relating to the technical work conducted by LFR, Keith O'Brien or Peter Krasnoff, prepared on behalf of the Guild Parties, in electronic and hard copy, including investigation, monitoring and response action data, all reports and database compilations, and all field notes and reports of technical personnel (e.g., daily field reports and logs), but not including attorney work product, which will remain privileged and protected.
- (e) The Guild Parties will allow the City reasonable access to the Guild Property to the extent reasonably necessary and without cost to the City to comply with the CAO, upon seventy-two ("72") hours' written notice to: Guild Cleaners, Inc., Attention Jack Alquist and Scott Rowell, 17 S. Church Street, Lodi, California 95240, facsimile (209) 368-2542, and Lori J. Gualco, Esq., 455 Capitol Mall, Suite 210, Sacramento, CA 95814, facsimile (916) 442-0145, to comply with the CAO for the Central Plume Area. The City may obtain access under this

paragraph on less than seventy-two ("72") hours' notice: (i) ~~in the event of an emergency on the Guild Property that makes it impracticable to provide the notice provided in this paragraph, or (ii) if so ordered by the RWQCB.~~ The City agrees to require that any and all consultants ~~and~~ contractors working at the Guild Property carry insurance and that Guild Cleaners, Inc. ~~and Jack Alquist be named as additional insureds under those policies.~~ The City agrees to repair any damage caused by its activities on the Guild Property associated with the work under this paragraph.

- (f) The Guild Parties will transfer ownership of and allow the City full access to and use of any and all ~~remedial, investigatory and monitoring equipment installed by the Guild Parties, including any related contracts (with no outstanding balances or charges owing).~~ warranties, equipment manuals, invoices/receipts, service agreements, rental agreements, plans and specifications (original design and as-builts). In addition, the Guild Parties will allow the City full access to any and all monitoring wells on the Guild Property and Guild's experts will provide the City with information relating to their location and installation, to the extent that information has not otherwise been provided. The City agrees to conduct all O&M associated with any equipment that is transferred under this Agreement at its own cost. Guild makes no representations or warranties regarding the condition, suitability, or effectiveness of the equipment transferred under this paragraph and the City expressly recognizes that the equipment transferred under this paragraph is transferred AS IS, WHERE IS. Other than the equipment presently installed on the Guild Property as of the Effective Date of this Agreement the City shall ~~not~~ install any new equipment on the Guild Property, unless otherwise ordered by the RWQCB or to comply with the terms of the CAO. The City shall remove the equipment presently installed on the Guild Property within ten (10) years of the Effective Date of this Agreement, unless otherwise ordered by the RWQCB or to comply with the terms of the CAO. The City shall properly abandon all monitoring wells and remove all equipment transferred under this paragraph upon conclusion of any work required under the CAO, in accordance with all applicable laws and regulations. Closure of all monitoring wells and removal of all equipment from the Guild Property shall be done in such a manner as to restore the surface of the Guild Property to its normal condition prior to the installation of any such monitoring wells or equipment.
- (g) The Guild Parties will assign to the City their rights to pursue any claims against any parties in the Lodi Action relating to or arising from the alleged Central Plume Contamination, including the City's former consultants ~~or~~ experts, as well as the City's former outside counsel.

- (h) **On** the Effective Date of this Agreement, the City will be deemed the "generator" for purposes of completing hazardous waste manifests for offsite disposal of all waste extracted from the Guild Property in connection with the cleanup of the Central Plume Contamination.
- (i) **This Agreement** is subject to confirmation by the United States District Court for the Eastern District of California in an order finding this settlement to be entered into in good faith under section 877.6 of the California Code of Civil Procedure and barring any claims for contribution against the City and the Guild Parties under section 877.6 of the California Code of Civil Procedure and applicable federal law.
- (j) This Agreement is conditioned on the Guild Parties obtaining covenants not to sue and contribution bars from both the RWQCB and the Department of Toxic Substances Control.

2. Releases

- (a) Excepting and preserving the obligations and duties of the parties set forth in this Agreement, and in consideration of the promises exchanged above, the finding of a good faith settlement under California law, and the granting of a contribution bar as contemplated by this Agreement, the City, its former and current attorneys, former and current consultants, and agents forever release the Guild Parties, and each of their respective administrators, trustors, trustees, beneficiaries, shareholders, officers, directors, beneficiaries, predecessors, successors, assigns, partners, parents, subsidiaries, affiliated and related legal entities, agents, employees, servants, representatives, heirs, and associations connected with them, including without limitation their insurers, sureties, and attorneys, of and from any and all claims, demands, causes of action, obligations, liens, damages, losses, costs, and attorneys', consultants', and experts' fees and expenses of every kind and nature whatsoever, known and unknown, fixed or contingent, arising from related to, or connected with (1) the Central Plume Contamination; (2) any soil or groundwater contamination at Guild Cleaners - Wine Country, a California Limited Partnership; (3) the equipment transferred under paragraph C.1.(f) of this Agreement; (4) the Lodi Action; and (5) the CAO.
- (b) Excepting and preserving the obligations and duties of the parties set forth in this Agreement, and in consideration of the promises exchanged above, and the good faith finding and the granting of a contribution bar as contemplated by this Agreement, the Guild Parties forever release the City and each of its elected officials, appointed officials, managers, officers, administrators, assigns, affiliated and related legal entities, agents, employees, servants, representatives, and

political associations or subdivisions, including without limitation its insurers and sureties, of and from any and all claims, demands, causes of action, obligations, liens, damages, losses, costs, and attorneys', consultants', and experts' fees and expenses of every kind and nature whatsoever, known and unknown, fixed or contingent, arising from, related to, or connected with (1) the Central Plume Contamination; (2) any soil or groundwater contamination at Guild Cleaners - Wine Country, a California Limited Partnership; and (3) the Lodi Action.

3. Confirmation of Settlement and Dismissal

Within thirty (30) calendar days after both (i) execution of this Agreement, and (ii) the Guild Parties' obtaining covenants not to sue and contribution bars from the RWQCB and the DTSC, the Guild Parties will file a motion seeking confirmation by the Court of the settlement, a judicial finding that the settlement was entered into in good faith under California law, and seeking an order barring any contribution actions for "Matters Addressed" in this Agreement. "Matters Addressed" in this Agreement, include, but are not limited to, (i) all removal or remedial actions undertaken at the Central Plume Area, (ii) all response costs incurred or to be incurred by the City, my regulatory agency of the State of California or United States of America, or any private party in connection with the Central Plume Area, (iii) enforcement actions undertaken or to be undertaken by any regulatory agency of the State of California or United States of America in connection with the Central Plume Contamination, (iv) torts, toxic torts, personal injuries arising from the Central Plume Contamination, and (v) litigation costs associated with the Central Plume Contamination or the Lodi Action.

The City will support the Guild Parties' motion to confirm the settlement, for a good faith finding, and for a contribution bar. Within thirty (30) calendar days of the execution of this Agreement, the City shall secure approval of this Agreement from the Lodi City Council by Formal resolution.

Within five (5) calendar days of the Effective Date, the City and the Guild Parties shall file a stipulation and proposed order to dismiss with prejudice any and all claims against each other in the Lodi Action.

4. No Admission of Liability

This settlement represents an agreement resulting from disputed issues of fact and of law. By entering into this Agreement, the Settling Parties do not admit that they, individually or jointly, have any liability or obligation for the actual or alleged environmental contamination within Lodi. None of the terms reflected herein nor any statements or communications made by the Settling Parties or their agents, attorneys, or insurers during the negotiations leading to this Agreement shall be considered admissions of liability by or on behalf of any of the Settling Parties.

5. **Effective Date of Agreement**

~~This~~ Agreement shall be ~~effective~~ upon the ~~entry of~~ an order by the ~~United States~~ District Court for the Eastern District of California in the Lodi Action, ~~finding the settlement in good~~ faith under section 877.6 of the Code of Civil Procedure and barring any claims for contribution against the City and the Guild Parties under section 877.6 of the California Code of Civil Procedure and applicable federal law (the "~~Effective Date~~").

6. **No Liens or Encumbrances**

Each Settling Party ~~represents and warrants~~ that ~~no other person or entity has, or has had,~~ any interest in the claims, demands, obligations, or ~~causes of action referred to in this~~ Agreement. Each Settling Party further ~~represents and warrants~~ that it ~~has~~ the sole right and exclusive authority to execute this Agreement and to agree to the terms herein, ~~and that it has not~~ sold, assigned, transferred, conveyed, or ~~otherwise~~ disposed of any claims, demands, obligations, or ~~causes of action referred to in this Agreement.~~

7. **Uncertainty of Circumstances**

Each party hereto ~~acknowledges that there is a risk that, subsequent to the execution of~~ this Agreement, it may incur, suffer, or sustain an injury, loss, damages, costs, attorneys' fees, expenses, or any of these, which ~~are in some way caused by or connected with the matters~~ released and referred to above, which ~~are unknown and unanticipated at the time this Agreement is signed, or which are not presently capable of being ascertained, and further that there is a risk~~ that such damages as are known may ~~become more serious than~~ the Settling Parties now expect or anticipate. Nevertheless, each of the Settling Parties hereto acknowledges that this Agreement ~~has been negotiated and agreed upon in light of that realization and hereby expressly waives any rights it may have in such unsuspected claims. This release of claims is not intended to release any contractual rights that a policy holder may have against his, her, or its own insurer.~~

8. **Waiver of Rights (Civil Code § 1542)**

In entering into this Agreement, each Settling Party has had the benefit of legal counsel and has been advised of, understands, and knowingly and specifically waives its rights under California Civil Code Section 1542, which provides as follows:

CERTAIN CLAIMS NOT AFFECTED BY GENERAL RELEASE - A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected his settlement with debtor.

Each party hereto further **waives** all rights under any similar law in my state or territory of the United States.

9. Costs and Attorneys' Fees

The Settling Parties acknowledge and agree that they **are to bear** their owns **costs**, expenses, expert and consultant fees, and attorneys' **fees arising out of** the Matters Addressed herein, the negotiation, drafting, and execution of this Agreement, and all matters **arising** out of or connected therewith.

10. Integrated Agreement

This Agreement supersedes **any** prior communications, agreements, and understandings regarding **the** matters contained herein **between** the signatories hereto **or their** representatives. Any representation, **promise**, or condition in connection with such matters **that is not** incorporated in this Agreement shall not be binding upon any of the Settling Parties.

11. Binding Effect

Subject to the conditions found in **this Agreement**, **this Agreement shall be binding upon** and shall inure to **the benefit of the** Settling Parties **as well as** their respective officers and directors, the **respective** heirs, executors, administrators, **trustors, trustees, beneficiaries,** predecessors, successors, affiliated and related entities, officers, directors, principals, agents, employees, assigns, representatives, and all persons, firms, associations, **and/or** corporations connected with them, including, **without** limitation, their sureties and/or attorneys, except **as** otherwise provided by this Agreement.

12. Benefit of Counsel/Consultant

In entering **into** this Agreement, each Party **represents and warrants** that **he, she, or it is** not relying **on** any representations, opinions, conclusions, **recommendations, or opinions** expressed by, provided **by**, or **inferred** from **any** other Party **to** this Agreement, **any** attorney for any other party, or any other Party's **experts, consultants, or agents.**

Each **Party represents** and warrants that **it has been fully advised by its attorney** concerning the effect and finality **of this Agreement, and that** the Party understands, without reservation or doubt, **the effect and finality of this Agreement.**

13. Counterparts

This Agreement may be executed in counterparts, and all so executed shall be binding upon all Parties hereto, notwithstanding that the signatures of the Parties' designated representatives do not appear on the same page.

14. **Representations and Warranties**

The Settling Parties make the following representations and warranties to the extent that the representation is related to its own respective knowledge, interests, or action:


- (a) Each Party warrants that it is fully authorized to enter into this Agreement on behalf of itself and that each Party's signatory is authorized to sign on behalf of the Party identified; and
- (b) Jack Alquist and Guild Cleaners, Inc. represent and warrant that they performed a reasonable search to locate policies issued to Dwight Alquist, Jack Alquist, or Guild Cleaners, Inc. regarding the Guild Property or Guild Cleaners, and that there are no other insurance policies.

15. **Governing Law**

This Agreement is entered into and shall be interpreted in accordance with the laws of the State of California, the laws of the United States of America, and the common law, as applied in the jurisdiction of the United States Court of Appeals for the Ninth Circuit and the United States District Court for the Eastern District of California.


<SIGNATURE PAGES FOLLOW>

DATED: 2/15/05

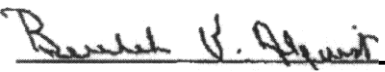

JACK ALQUIST, Individually and as a Trustee
of the Alquist Family Trust, dated, March 2,
1981

DATED: 2/15/05

GUILD CLEANERS, INC.


by: JACK ALQUIST, PRESIDENT

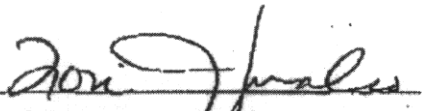
DATED: 2/15/05


BEULAH V. ALQUIST, Individually and as a
Trustee of the Alquist Family Trust, dated,
March 2, 1981

APPROVED AS TO FORM

LAW OFFICE OF LORI J. GUALCO

DATED: 2/15/05

By: 
LORI J. GUALCO, Attorney for Jack Alquist
and Guild Cleaners, Inc.

DATED:

JACK ALQUIST, Individually and as a Trustee
of the Alquist Family Trust, dated, March 2,
1981

DATED:

GUILD CLEANERS, INC.

DATED:

by: JACK ALQUIST, PRESIDENT

APPROVED AS TO FORM

DATED:

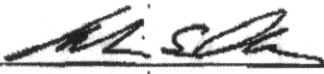
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March 2, 1981

LAW OFFICE OF LORI J. GUALCO

By: _____
LORI J. GUALCO, Attorney for Jack Alquist
and Guild Cleaners, Inc.

DATED: 2/15/05

O'MELVENY & MYERS

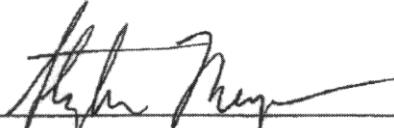
By: 
MARTIN S. CHECOV, Estate of Dwight
Alquist, by Century Indemnity Company per
Probate Code section 550

APPROVED AS TO FORM

DATED

2-15-05

DOWNEY BRAND LLP

By: 

STEPHEN J. MEYER, Attorneys for Jack
Alquist, Guild Cleaners, Inc. and Estate of
Dwight Alquist, Deceased

DATED.

BLAIR KING, City Manager, CITY OF LODI

APPROVED AS TO FORM

DATED

D. STEPHEN SCHWABAUER, City Attorney,
CITY OF LODI

DATED:

FOLGER LEVIN & KAHN LLP

MARGARET R. DOLLBAUM, Attorneys for
CITY OF LODI

657647.2

APPROVED AS TO FORM

DATED:

DOWNEY BRAND LLP

By: _____

STEPHEN J. MEYER, Attorneys for Jack
Alquist, Guild Cleaners, Inc. and Estate of
Dwight Alquist, Deceased

DATED:

2/15/05

LARSON KING

By: _____

BRYAN M. BARBER, Estate of Dwight
Alquist, by Lumbermens Insurance Company
per Probate Code section 550

DATED:

BLAIR KING, City Manager, CITY OF LODI

APPROVED AS TO FORM

DATED:

By: _____

D. STEPHEN SCHWABAUER, City Attorney,
CITY OF LODI

DATED:

FOLGER LEVIN & KAHN LLP

By: _____

MARGARET R. DOLLBAUM, Attorneys for
CITY OF LODI

APPROVED AS TO FORM

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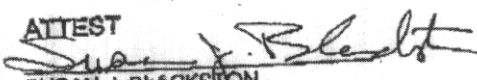
DOWNEY BRAND LLP

By: _____

STEPHEN J. MEYER, Attorneys for Jack
Alquist, Guild Cleaners, Inc. and Estate of
Dwight Alquist, Deceased

DATED: February 15, 2005

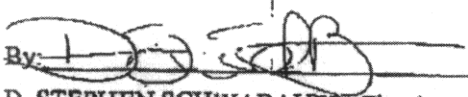
ATTEST


SUSAN J. BLACKSTON
City Clerk

APPROVED AS TO FORM

DATED: 2/15/05


BLAIR KING, City Manager, CITY OF LODI

By: 
D. STEPHEN SCHWABAUER, City Attorney,
CITY OF LODI

FOLGER LEVIN & KAHN LLP

DATED:

By: _____

MARGARET R. DOLLBAUM, Attorneys for
CITY OF LODI

APPROVED AS TO FORM

DATED:

DOWNEY BRAND LLP

By: _____

**STEPHEN J. MEYER, Attorneys for Jack
Alquist, Guild Cleaners, Inc. and Estate of
Dwight Alquist, Deceased**

DATED:

BLAIR KING, City Manager, CITY OF LODI

APPROVED AS TO FORM

DATED:

**D. STEPHEN SCHWABAUER, City Attorney,
CITY OF LODI**

FOLGER LEVIN & KAHN LLP

DATED: *February 15, 2005*

By: *Margaret R. Dollbaum*

**MARGARET R. DOLLBAUM, Attorneys for
CITY OF LODI**

RESOLUTION NO. 2005-67

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
THE GUILD SETTLEMENT AGREEMENT RELATIVE TO THE
ENVIRONMENTAL ABATEMENT PROGRAM FORMALLY BY
RESOLUTION IN OPEN SESSION

WHEREAS, on December 2, 2004, the Lodi City Council approved the Settlement Agreement with the Guild parties: Jack Alquist, individually and as a Trustee of the Alquist Family Trust, dated March 2, 1981; Guild Cleaners, Inc., a California Corporation; the Estate of Dwight Alquist, Deceased; the Alquist Family Trust, dated March 2, 1981; and Beulah Viva Alquist, individually and as a Trustee of Alquist Family Trust, dated March 1, 1981; and

WHEREAS, the Settlement Agreement contemplates a formal resolution approving the settlement in open session of the City Council; and

WHEREAS, this resolution fulfills that provision but is a mere formality in that the Council has already approved the settlement in closed session.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the Guild Settlement Agreement attached hereto as Exhibit A, relative to the Environmental Abatement Program litigation by adoption of this Resolution in "Open Session"; and

BE IT FURTHER RESOLVED that funds in the amount of \$2.2 million will be derived from the USF&G Settlement Fund.

Dated: April 6, 2005

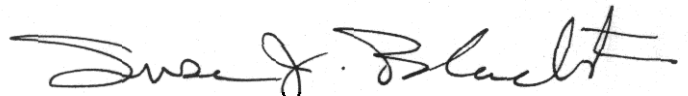
I hereby certify that Resolution No. 2005-67 was passed and adopted by the Lodi City Council in a regular meeting held April 6, 2005, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Johnson, Mounce. and
Mayor Beckman

NOES: COUNCIL MEMBERS – **None**

ABSENT: COUNCIL MEMBERS – Hitchcock

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk

Settlement Agreement and Mutual Release

A _____

This Settlement Agreement and Release (the "Agreement") is entered into among the following parties

- 1 The City of **Mi**, California, a municipal corporation (the "City"); and
2. Jack Alquist, individually and as a **Trustee** of the Alquist Family Trust, dated, March **2.1981**; Guild Cleaners, **Inc.**, a California corporation; the Estate of Dwight Alquist. **Deceased**; the Alquist Family Trust, dated, **March 2.1981**; and Beulah **V.** Alquist, individually and as a **Trustee** of Alquist Family Trust, dated, March **2. 1981**, (collectively referred to as the "Guild **Parties**").

These parties are sometimes collectively referred to herein as the "Settling **Parties**." Any person or entity identified above may be referred to as a "Party."

B. Background

1. The City is **the** owner and **operator** of the municipal sanitary **sewer** and water supply systems within the City of Lodi.
2. Jack Alquist, Beulah **V.** Alquist, and the Alquist **Family** Trust, dated, March 2, **1981** own or have owned at various **times** certain property located at 17 and 31 South Church Street, **M i .** California (the "Guild Property"). **The** Guild Property, as well as certain neighboring property, is located within what is commonly referred to as the Central Plume **Area** and is alleged to have become environmentally contaminated as a result of or arising from the operations of Guild Dry Cleaners and other businesses, and from the City's sewer **main** located in the alley behind 17 South Church Street.
3. Dwight Alquist, an individual, owned and operated Guild **Dry** Cleaners as a sole proprietorship at 17 South Church Street from approximately 1959 to 1981. Dwight Alquist died in 1982. **The** City sued the Estate of Dwight Alquist. **Deceased**, pursuant to the California Probate Code section 550, et seq., in that federal litigation identified at paragraph 11 of this section.
4. Guild Cleaners, **Inc.**, a California corporation, was incorporated in 1981 by Jack Alquist. Guild Cleaners, Inc. has operated the Guild **Dry** Cleaners at 17 South Church Street from approximately 1981 to the present.

5. Contaminants, including PCE, have been identified in the soil and groundwater beneath the Central Plume Area, as set forth in that federal litigation identified at paragraph 11 of this section, the April 22, 2004, California Regional Water Quality Control Board (the "RWQCB") Cleanup and Abatement Order No. R5-2004-0043 for the Central Plume Area ("CAO"), and the rescinded Imminent and Substantial Endangerment Determination and Remedial Action Order ("RAO") that the Department of Toxic Substances Control ("DTSC") issued for the Central Plume Area on May 30, 2003, and amended on July 9, 2003 (the "Central Plume Contamination").
6. In or about 2001, the Guild Parties began investigative activities associated with commencing a Remedial Investigation/Feasibility Study ("RI/FS") in the Central Plume Area. In or about April 2002, the Guild Parties submitted a draft RI/FS Workplan to the RWQCB and the DTSC. The Guild Parties have conducted all of their investigative activities and associated work and submittals to the RWQCB and DTSC in compliance with the National Contingency Plan, 40 C.F.R. Part 300.
7. The amended RAO named as respondents Guild Cleaners, Inc.; the Estate of Dwight Alquist, Deceased; Odd Fellows Hall Association of Lodi, Inc.; Lodi News Sentinel, Inc.; Beckman and Company; Beckman Capital Corporation; and Angelina Comporato. The DTSC rescinded the RAO on or about May 12, 2004.
8. The RWQCB is the lead governmental agency responsible for oversight of the Central Plume Area. Pursuant to a letter, dated May 12, 2004, the DTSC has relinquished all oversight responsibility and jurisdiction over the Central Plume Area to the RWQCB.
9. On April 22, 2004, the RWQCB issued Cleanup and Abatement Order No. R5-2004-0043 for the Central Plume Area ("CAO"). The CAO names as respondents Guild Cleaners, Inc., the City, Lodi News-Sentinel, Odd Fellows Hall Association of Lodi, and Beckman Capital Corporation.
10. As part of the investigation and remediation measures set forth above, the Guild Parties conducted a pilot study, which included the installation of a soil-vapor extraction system. The Guild Parties also submitted a DRAFT Remedial Investigation/Feasibility Study, Lodi Central Plume Area to the RWQCB on August 16, 2004. The City conducted sampling and analysis of indoor air in the Central Plume Area pursuant to a work plan approved by RWQCB (the "Indoor Air Assessment"), and performed deep groundwater sampling in the Central Plume Area.

11. On November 2, 2000, and as later amended on May 25, 2001, August 4, 2004, September 9, 2004, and January 21, 2005, the City filed a complaint for damages against Guild Cleaners, Inc., Jack Alquist; and Estate of Dwight Alquist, Deceased, among others, in United States District Court for the Eastern District of California, Case No. CIV-00-2441 FCD/JFM, alleging that Guild Cleaners, Inc., Jack Alquist; and Estate of Dwight Alquist, Deceased were responsible in part for the Central Plume Contamination (the "Lodi Action"). Guild Cleaners, Inc. has filed counterclaims against the City in the Lodi Action.
12. Substantial disputes exist among the Settling Parties regarding their respective liabilities and obligations arising from the Central Plume Contamination. By and through this Agreement, the Settling Parties have now resolved to settle any and all disputes arising from or related to the Central Plume Contamination or its causes, including those claims and counterclaims arising from any alleged civil rights violations.

NOW, THEREFORE, in consideration for the mutual promises set forth in this Agreement, the City and the Guild Parties agree to resolve their claims and allegations against each other in the manner set forth below.

C. Mutual Promises and Conditions of Settlement

I. Preconditions to Settlement of Allocation Rights

This Agreement requires that the Settling Parties will each take or authorize that certain steps be taken for the purpose of obtaining a release, one from the other, a good faith finding and contribution bar from the United States District Court for the Eastern District of California, a covenant not to sue and a contribution bar from both the RWQCB and DTSC, as identified below:

- (a) The City will establish an escrow account (the "Central Plume Fund") into which the Guild Parties' settlement payment will be deposited. The City will also make a settlement payment to the Central Plume Fund. The settlement payments and any other amounts in the central Plume Fund will be used by the City exclusively for environmental cleanup, investigation or remediation expenses incurred by the City with regard to the Central Plume Area. The amounts in the Central Plume Fund will not be used for the payment of legal or technical fees connected with the continued prosecution of the Lodi Action or any other litigation or legal activities against any remaining potentially responsible parties ("PRP's"). The City will submit a report of the expenditures from the Fund to the Court bi-annually. If any money remains in the Central Plume Fund after the City obtains a no further action letter or its equivalent from the RWQCB for the Central Plume

Area, the money may be used by the City solely for cleanup, investigation or remediation expenses in connection with other contaminated plume areas within the geographic boundaries of the City of **Lodi**, California. Other than the settlement payment identified in this paragraph of the Agreement, the Guild Parties will have **no obligation** to pay the expenses of, conduct, or perform any cleanup, investigation or remediation activities associated with or for the Central Plume **Area**.

- (b) Within thirty (30) calendar days of the Court's confirmation of **this settlement** pursuant to Section 3 of this Agreement, the Guild Parties **will** make a settlement payment into the Central Plume Fund in the amount of **\$4.2** million (four million two hundred thousand dollars and no cents), and the City will **make** a settlement payment in the **amount** of **\$2.2** million (two million two hundred thousand dollars and no cents) into the Central Plume Fund.
- (c) **The** City will assume the Guild Parties' obligations under the CAO for the Central Plume Contamination, **whether** the City is specifically named under such CAO or not. Except for any obligations of the Guild Parties covered, released, or extinguished by the covenants not to sue pursuant to paragraph C.1.(j) of this Agreement, the City will assume any obligations of the Guild Parties under any future order of any regulatory agency, including federal, state and local agencies, regarding the Central Plume Contamination.
- (d) **The** Guild Parties and their attorneys will cooperate fully and assist in coordinating the City's retention of the Guild Parties' technical and litigation consultants and experts (collectively, "Guild's experts"), Donald Bradshaw, LFR, Levine Fricke, Inc. ("LFR"), Keith O'Brien, and Peter Krasnoff. In addition, the Guild Parties and their attorneys will authorize Guild's experts to provide the City with all work product relating to the technical work conducted by LFR, Keith O'Brien or Peter Krasnoff, prepared on behalf of the Guild Parties, in electronic and hard copy, including investigation, monitoring and response action data, all reports and database compilations, and all field notes and reports of technical personnel (e.g., daily field reports and logs), but not including attorney work product, which will remain privileged and protected.
- (e) The Guild Parties will allow the City reasonable access to the Guild Property to the extent reasonably necessary and without cost to the City to comply with the CAO, upon seventy-two ("72") hours' written notice to: Guild Cleaners, Inc., Attention Jack Alquist and Scott Rowell, 17 S. Church Street, **Lodi**, California **95240**, facsimile (209) 368-2542, and **Lori J. Gualco, Esq., 455 Capitol Mall, Suite 210, Sacramento, CA 95814**, facsimile (916) 4424145, to comply with the CAO for the Central Plume Area. The City may obtain access under this

paragraph on less than seventy-two ("72") hours' notice: (i) in the event of an emergency on the Guild Property that makes it impracticable to provide the notice provided in this paragraph, or (ii) if so ordered by the RWQCB. The City agrees to require that any and all consultants and contractors working at the Guild Property carry insurance and that Guild Cleaners, Inc. and Jack Alquist be named as additional insureds under those policies. The City agrees to repair any damage caused by its activities on the Guild Property associated with the work under this paragraph.

- (f) The Guild Parties will transfer ownership of and allow the City full access to and use of any and all remedial, investigatory and monitoring equipment installed by the Guild Parties, including any related contracts (with no outstanding balances or charges owing), warranties, equipment manuals, invoices/receipts, service agreements, rental agreements, plans and specifications (original design and as-builts). In addition, the Guild Parties will allow the City full access to any and all monitoring wells on the Guild Property and Guilds experts will provide the City with information relating to their location and installation, to the extent that information has not otherwise been provided. The City agrees to conduct all O&M associated with any equipment that is transferred under this Agreement at its own cost. Guild makes no representations or warranties regarding the condition, suitability, or effectiveness of the equipment transferred under this paragraph and the City expressly recognizes that the equipment transferred under this paragraph is transferred AS IS, WHERE IS. Other than the equipment presently installed on the Guild Property as of the Effective Date of this Agreement, the City shall not install any new equipment on the Guild Property, unless otherwise ordered by the RWQCB or to comply with the terms of the CAO. The City shall remove the equipment presently installed on the Guild Property within ten (10) years of the Effective Date of this Agreement, unless otherwise ordered by the RWQCB or to comply with the terms of the CAO. The City shall properly abandon all monitoring wells and remove all equipment transferred under this paragraph upon conclusion of any work required under the CAO, in accordance with all applicable laws and regulations. Closure of all monitoring wells and removal of all equipment from the Guild Property shall be done in such a manner as to restore the surface of the Guild Property to its normal condition prior to the installation of any such monitoring wells or equipment.
- (g) The Guild Parties will assign to the City their rights to pursue any claims against any parties in the Lodi Action relating to or arising from the alleged Central Plume Contamination, including the City's former consultants or experts, as well as the City's former outside counsel.

- (h) **On the Effective Date of this Agreement**, the City will be deemed the "generator" for purposes of completing hazardous waste manifests for offsite disposal of all waste extracted from the Guild Property in connection with the cleanup of the Central Plume Contamination.
- (i) This Agreement is subject to confirmation by the United States District Court for the Eastern District of California in an order finding this settlement to be entered into in good faith under section 877.6 of the California Code of Civil Procedure and barring any claims for contribution against the City and the Guild Parties under section 877.6 of the California Code of Civil Procedure and applicable federal law.
- (j) This Agreement is conditioned on the Guild Parties obtaining covenants not to sue and contribution bars from both the RWQCB and the Department of Toxic Substances Control.

2. **Releases**

- (a) Excepting and preserving the obligations and duties of the parties set forth in this Agreement, and in consideration of the promises exchanged above, the finding of a good faith settlement under California law, and the granting of a contribution bar as contemplated by this Agreement, the City, its former and current attorneys, former and current consultants, and agents forever release the Guild Parties, and each of their respective administrators, trustees, beneficiaries, shareholders, officers, directors, beneficiaries, predecessors, successors, assigns, partners, parents, subsidiaries, affiliated and related legal entities, agents, employees, servants, representatives, heirs, and associations connected with them, including without limitation their insurers, sureties, and attorneys, of and from any and all claims, demands, causes of action, obligations, liens, damages, losses, costs, and attorneys', consultants', and experts' fees and expenses of every kind and nature whatsoever, known and unknown, fixed or contingent, arising from, related to, or connected with (1) the Central Plume Contamination; (2) any soil or groundwater contamination at Guild Cleaners - Wine Country, a California Limited Partnership; (3) the equipment transferred under paragraph C.1.(f) of this Agreement; (4) the Lodi Action; and (5) the CAO.
- (b) Excepting and preserving the obligations and duties of the parties set forth in this Agreement, and in consideration of the promises exchanged above, and the good faith finding and the granting of a contribution bar as contemplated by this Agreement, the Guild Parties forever release the City and each of its elected officials, appointed officials, managers, officers, administrators, assigns, affiliated and related legal entities, agents, employees, servants, representatives, and

political associations or subdivisions, including without limitation its insurers and sureties, of and from any and all claims, demands, causes of action, obligations, liens, damages, losses, costs, and attorneys', consultants', and experts' fees and expenses of every kind and nature whatsoever, known and unknown, fixed or contingent, arising from, related to, or connected with (1) the Central Plume Contamination; (2) any soil or groundwater contamination at Guild Cleaners - Wine Country, a California Limited Partnership; and (3) the Lodi Action.

3. Confirmation of Settlement and Dismissal

Within thirty (30) calendar days after both (i) execution of this Agreement, and (ii) the Guild Parties' obtaining covenants not to sue and contribution bars from the RWQCB and the DTSC, the Guild Parties will file a motion seeking confirmation by the Court of the settlement, a judicial finding that the settlement was entered into in good faith under California law, and seeking an order barring any contribution actions for "Matters Addressed" in this Agreement. "Matters Addressed" in this Agreement, include, but are not limited to, (i) all removal or remedial actions undertaken at the Central Plume Area, (ii) all response costs incurred or to be incurred by the City, any regulatory agency of the State of California or United States of America, or any private party in connection with the Central Plume Area, (iii) enforcement actions undertaken or to be undertaken by any regulatory agency of the State of California or United States of America in connection with the Central Plume Contamination, (iv) torts, toxic torts, personal injuries arising from the Central Plume Contamination, and (v) litigation costs associated with the Central Plume Contamination or the Lodi Action.

The City will support the Guild Parties' motion to confirm the settlement, for a good faith finding, and for a contribution bar. Within thirty (30) calendar days of the execution of this Agreement, the City shall secure approval of this Agreement from the Lodi City Council by formal resolution.

Within five (5) calendar days of the Effective Date, the City and the Guild Parties shall file a stipulation and proposed order to dismiss with prejudice any and all claims against each other in the Lodi Action.

4. No Admission of Liability

This settlement represents an agreement resulting from disputed issues of fact and of law. By entering into this Agreement, the Settling Parties do not admit that they, individually or jointly, have any liability or obligation for the actual or alleged environmental contamination within Lodi. None of the terms reflected herein nor any statements or communications made by the Settling Parties or their agents, attorneys, or insurers during the negotiations leading to this Agreement shall be considered admissions of liability by or on behalf of any of the Settling Parties.

5. Effective Date of Agreement

~~This~~ Agreement shall be effective upon the entry ~~of~~ an order by the United States District Court for the Eastern District of California in the Lodi Action, finding the settlement in good faith under section 877.6 of the Code of Civil Procedure and barring any claims for contribution against the City and the Guild Parties under section 877.6 of the California Code of Civil Procedure and applicable federal law (the "Effective Date").

6. No Liens or Encumbrances

Each Settling Party represents and warrants that no other person or entity has, or has had, any interest in the claims, demands, obligations, or causes of action referred to in this Agreement. Each Settling Party further represents and warrants that it has the sole right and exclusive authority to execute this Agreement and to agree to the terms herein, and that it has not sold, assigned, transferred, conveyed, or otherwise disposed of any claims, demands, obligations, or causes of action referred to in this Agreement.

7. Uncertainty of Circumstances

Each party hereto acknowledges that there is a risk that, subsequent to the execution of this Agreement, it may incur, suffer, or sustain an injury, loss, damages, costs, attorneys' fees, expenses, or any of these, which are in some way caused by or connected with the matters released and referred to above, which are unknown and unanticipated at the time this Agreement is signed, or which are not presently capable of being ascertained, and further that there is a risk that such damages as are known may become more serious than the Settling Parties now expect or anticipate. Nevertheless, each of the Settling Parties hereto acknowledges that this Agreement has been negotiated and agreed upon in light of that realization and hereby expressly waives any rights it may have in such unsuspected claims. This release of claims is not intended to release any contractual rights that a policy holder may have against his, her, or its own insurer.

8. Waiver of Rights (Civil Code § 1542)

In entering into this Agreement, each Settling Party has had the benefit of legal counsel and has been advised of, understands, and knowingly and specifically waives its rights under California Civil Code Section 1542, which provides as follows:

CERTAIN CLAIMS NOT AFFECTED BY GENERAL RELEASE - A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected his settlement with debtor.

Each party hereto further waives all rights under any ~~similar~~ law in any state or territory of the United States.

9. Costs and Attorneys' Fees

The Settling Parties acknowledge and ~~agree~~ that they ~~are~~ to bear their owns costs, expenses, expert and consultant ~~fees~~, and ~~attorneys' fees~~ arising out of the Matters Addressed herein, the negotiation, drafting, and execution of this Agreement, and all matters arising out of or connected therewith.

10. Integrated Agreement

This Agreement supersedes any prior communications, agreements, and understandings regarding the matters contained herein between the signatories hereto or their representatives. Any representation, promise, or condition in connection with such matters that is not incorporated in this Agreement shall not be binding upon any of the Settling Parties.

11. Binding Effect

Subject to the conditions found in this Agreement, this Agreement shall be binding upon and shall inure to the benefit of the Settling Parties as well as their respective officers and directors, the respective heirs, executors, administrators, trustors, trustees, beneficiaries, predecessors, successors, affiliated and related entities, officers, directors, principals, agents, employees, assigns, representatives, and all persons, firms, associations, and/or corporations connected with them, including, without limitation, their sureties and/or attorneys, except as otherwise provided by this Agreement

12. Benefit of Counsel/Consultant

In entering into this Agreement, each Party represents and warrants that he, she, or it is not relying on any representations, opinions, conclusions, recommendations, or opinions expressed by, provided by, or inferred from any other Party to this Agreement, any attorney for any other Party, or any other Party's experts, consultants, or agents.

Each Party represents and warrants that it has been fully advised by its attorney concerning the effect and finality of this Agreement, and that the Party understands, without reservation or doubt, the effect and finality of this Agreement.

13. Counterparts

This Agreement may be executed in counterparts, and all so executed shall be binding upon all Parties hereto, notwithstanding that the signatures of the Parties' designated representatives do not appear on the same page.

14. **Representations and Warranties**

The Settling Parties ~~make the~~ following representations and warranties to the extent that the representation is related to its own ~~respective~~ knowledge, interests, or action:

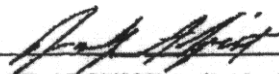
- (a) Each Party ~~warrants~~ that it is fully authorized to enter into this Agreement on behalf of itself and that each Party's signatory is authorized to sign on behalf of the Party identified, and
- (b) Jack Alquist and Guild Cleaners, Inc. represent and warrant that they performed a reasonable search to locate policies issued to Dwight Alquist, Jack Alquist, or Guild Cleaners, Inc. regarding the Guild Property or Guild Cleaners, and that there are no other insurance policies.

15. **Governing Law**

This Agreement is entered into and shall be interpreted in accordance with the laws of the State of California, the laws of the United States of America, and the common law, as applied in the jurisdiction of the United States Court of Appeals for the Ninth Circuit and the United States District Court for the Eastern District of California.

<SIGNATURE PAGES FOLLOW>

DATED: 2/15/05

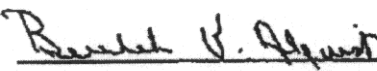

JACK ALQUIST, Individually and as a Trustee
of the Alquist Family Trust, dated, March 2,
1981

DATED: 2/15/05

GUILD CLEANERS, INC.


by: JACK ALQUIST, PRESIDENT

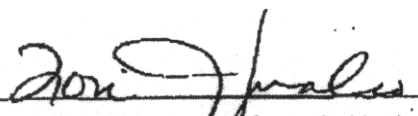
DATED: 2/15/05


BEULAH V. ALQUIST, Individually and as a
Trustee of the Alquist Family Trust, dated,
March 2, 1981

APPROVED AS TO FORM

LAW OFFICE OF LORI J. GUALCO

DATED: 2/15/05

By: 
LORI J. GUALCO, Attorney for Jack Alquist
and Guild Cleaners, Inc.

DATES:

JACK ALQUIST, Individually and as a Trustee
of the Alquist Family Trust, dated, March 2,
1981

DATED:

GUILD CLEANERS, INC.

by: JACK ALQUIST, PRESIDENT

DATED:

BEULAH V. ALQUIST, Individually and as a
Trustee of the Alquist Family Trust, dated,
March 2, 1981

APPROVED AS TO FORM

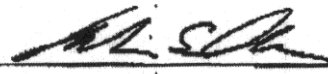
LAW OFFICE OF LORI J. GUALCO

DATED:

By: _____
LORI J. GUALCO, Attorney for Jack Alquist
and Guild Cleaners, Inc.

DATED: 2/15/05

O'MELVENY & MYERS

By: 
MARTIN S. CHECOV, Estate of Dwight
Alquist, by Century Indemnity Company per
Probate Code section 550

APPROVED AS TO FORM

DATED:

2 - 15 - 05

DOWNEY BRAND LLP

By: 

STEPHEN J. MEYER, Attorneys for Jack
Alquist, Guild Cleaners, Inc. and Estate of
Dwight Alquist, Deceased

DATED

BLAIR KING, City Manager, CITY OF LODI

APPROVED AS TO FORM

DATED:

**D. STEPHEN SCHWABAUER, City Attorney,
CITY OF LODI**

DATED

FOLGER LEVIN & KAHN LLP

By: _____

**MARGARET R. DOLLBAUM, Attorneys for
CITY OF LODI**

657647.2

APPROVED AS TO FORM

DATED:

DOWNEY BRAND LLP

STEPHEN J. MEYER, Attorneys for Jack
Alquist, Guild Cleaners, Inc. and Estate of
Dwight Alquist, Deceased

DATED:

2/15/05

LARSON KING

By: _____

BRYAN M. BARBER, Estate of Dwight
Alquist, by Lumbermens Insurance Company
per Probate Code section 550

DATED:

BLAIR KING, City Manager, CITY OF LODI

APPROVED AS TO FORM

DATED:

By: _____

D. STEPHEN SCHWABAUER, City Attorney,
CITY OF LODI

DATED:

FOLGER LEVIN & KAHN LLP

By: _____

MARGARET R. DOLLBAUM, Attorneys for
CITY OF LODI

APPROVED AS TO FORM

DATED:

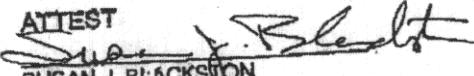
DOWNEY BRAND LLP

By: _____

STEPHEN J. MEYER, Attorneys for Jack
Alquist, Guild Cleaners, Inc. and Estate of
Dwight Alquist, Deceased

DATED: February 15, 2005

ATTEST

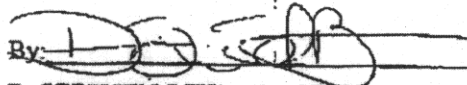

SUSAN J. BLACKSTON
City Clerk


BLAIR KING, City Manager, CITY OF LODI

APPROVED AS TO FORM

DATED: 2/15/05

By: _____


D. STEPHEN SCHWABAUER, City Attorney,
CITY OF LODI

FOLGER LEVIN & KAHN LLP

DATED:

By: _____

MARGARET R. DOLLBAUM, Attorneys for
CITY OF LODI

APPROVED AS TO FORM
DATED

DOWNEY BRAND LLP

STEPHEN J. MEYER, Attorneys for Jack
Alquist, Guild Cleaners, Inc. and Estate of
Dwight Alquist, Deceased

DATED:

BLAIR KING, City Manager, CITY OF LODI

APPROVED AS TO FORM
DATED:

By: _____
D. STEPHEN SCHWABAUER, City Attorney,
CITY OF LODI

DATED: February 15, 2005

FOLGER LEVIN & KAHN LLP

By: Margaret R. Dollbaum
MARGARET R. DOLLBAUM, Attorneys for
CITY OF LODI